

April 5, 2006

I am very concerned with the information I have received that Wal-Mart wishes to enter the financial banking industry. I view this as a company wishing to hold monopolies comparable to AT&T prior to its breakup. As such, I oppose this move on several points that I wish to enumerate.

Wal-Mart is perhaps the largest corporate onslaught that the world has ever faced or may ever face. They have shown themselves to be continually resistant to promoting community economies. In my own small community, even though the Wal-Mart was built in a preexisting facility, many of the smaller "mom and pop" stores that had sold similar items manufactured in the US instead of overseas have been put out of business. The owners and workers of those businesses have often had to work at Wal-Mart for less than they would have been paid had they remained in their previous jobs. They state that they provide a community effort - a manner of bringing community together, yet what I have seen through the media and locally - all points to Wal-Mart's bottom line.

America has been losing our local community banks at an alarming rate already. A Wal-Mart bank would increase this loss, as they have done to local grocery stores, drug stores, hardware stores, etc. We cannot afford to lose the local touch that is necessary in building trust in communities, forming resources for the new homeowners, and for those in their later years. To eliminate any level of the banking industry and removing it to a large conglomerate makes the potential for someone to move themselves from poverty to lower, middle or upper class is completely eliminated, even with incentives, assistance, or other help.

A Wal-Mart Bank cannot do anything else but remove funds from the local community and put it in a corporate bottom line. It would not remain in the community. It would be placed in use for large projects, building new Wal-Mart facilities, or other Wal-Mart profit makers, and leaving the local community without capital. It would have the option to refuse to make loans to local individuals and local businesses, based entirely upon the whims and policies of Wal-Mart. This cannot be allowed.

In addition, I foresee a very dangerous concentration of power which comes from the largest corporation in the world gaining not only commercial but financial power. Wal-Mart would be seeking to firm up its power into other areas of our lives beyond commercial and financial power once these areas are cemented. Again, this cannot be allowed, even though we are a nation built upon a commercial economy.

I also envision Wal-Mart's history as a reckless, law skirting, law bending and law breaking company to be one that is irresponsible as a banking

corporation. This is tantamount to giving Wal-Mart a free rein to do as they please as far as laws, banking and business regulations, and international policies. I do not believe that the USA can afford to incite opposition to its capitalist society through Wal-Mart's indiscretions. This would be all that terrorists would need.

And lastly, Wal-Mart's size does not allow for a check and balance system that is currently in place to be sufficient for its fiscal security. The FDIC's resources and those of the American fiscal security cannot hope to cover Wal-Mart's deposits, whereas they can cover Target's banking charter which is 1/6th the size of Wal-Mart.

I ask that all members of the Board of Directors of the FDIC to attend the vital hearing on these issues. This is an important issue for the entire United States and potentially for the world.

Thank you for your attention to my concerns.

Sincerely,  
Elizabeth J. Frost